

1 PETER C. ANDERSON
UNITED STATES TRUSTEE
2 JILL M. STURTEVANT, State Bar No. 089395
ASSISTANT UNITED STATES TRUSTEE
3 QUEENIE K. NG, State Bar No. 223803
TRIAL ATTORNEY
4 OFFICE OF THE UNITED STATES TRUSTEE
725 South Figueroa Street, Suite 2600
5 Los Angeles, California 90017-5418
(213) 894-4356 telephone
6 (213) 894-2603 facsimile
Email: queenie.k.ng@usdoj.gov
7

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **LOS ANGELES DIVISION**

12 In re:) Case No.: 2:13-bk-29686 TD
13)
14 **EFRAIN OLIVARES,**) Chapter 11
15)
16 Debtor(s).) **UNITED STATES TRUSTEE'S**
17) **OBJECTION TO INDIVIDUAL**
18) **DEBTOR'S DISCLOSURE STATEMENT**
19) **IN SUPPORT OF PLAN OF**
20) **REORGANIZATION**
21)
22) Hearing Date: January 8, 2014
23) Time 10:00 a.m.
24) Place Courtroom 1345
25) 255 E. Temple St.
26) Los Angeles, CA 90017
27)
28)

22 NOTICE IS HEREBY GIVEN that Peter C. Anderson, the United States Trustee for the
23 Central District of California ("U.S. Trustee") hereby files an Objection (the "Objection") to the
24 Individual Debtor's Disclosure Statement (the "Disclosure Statement") in Support of Plan of
25 Reorganization, as set forth below. The United States Trustee does not believe that the Disclosure
26 Statement contains "adequate information" upon which the parties in interest will be able to make
27 an informed judgment about the Plan as required by 11 U.S.C. § 1125.

28 //

1 **I. MINIMUM DISCLOSURE REQUIREMENTS**

2 Section 1125 of the Bankruptcy Code prohibits the solicitation of acceptances or rejections
3 of a plan from the holder of a claim or interest unless a written disclosure statement, which the
4 court has found to contain adequate information, has first been transmitted to such holder.

5 “Adequate information” is defined as:

6 “[I]nformation of a kind, and in sufficient detail, as far as reasonably practicable in light of
7 the nature and history of the debtor and the condition of the debtor’s books and records, that
8 would enable a hypothetical reasonable investor typical of holders of claims or interests of
the relevant class to make an informed judgment about the plan. . .”.

9 11 U.S.C. §1125(a)(1).

10 The phrasing of this section indicates that a finding of “adequate information” will be
11 made on a case-by-case basis. No set of guidelines, therefore, could hope to be exclusive or
12 exhaustive. However, there has developed some consensus around a “core” set of factors to be
13 considered in most cases. The leading case setting forth these factors is *In re Metrocraft*
14 *Publishing Services, Inc.*, 30 B.R. 567 (Bankr. N.D. Ga. 1984). The *Metrocraft* court found that
15 factors relevant to evaluating the adequacy of a disclosure “may include” the following:
16 “(1) the events which led to the filing of a bankruptcy petition; (2) a description of the available
17 assets and their value; (3) the anticipated future of the company; (4) the source of information
18 stated in the disclosure statement; (5) a disclaimer; (6) the present condition of the debtor while in
19 chapter 11; (7) the scheduled claims; (8) the estimated return to creditors under a chapter 7
20 liquidation; (9) the accounting method utilized to produce financial information and the name of the
21 accountants responsible for such information; (10) the future management of the debtor; (11) the
22 chapter 11 plan or a summary thereof; (12) the estimated administrative expenses, including
23 attorneys’ and accountant’s fees; (13) the collectibility of accounts receivable; (14) financial
24 information, data, valuations or projections relevant to the creditors’ decision to accept or reject the
25 Chapter 11 plan; (15) information relevant to the risks posed to creditors under the plan; (16) the
26
27
28

1 actual or projected realizable value from recovery of the preferential or otherwise voidable
2 transfers; (17) litigation likely to arise in a non-bankruptcy context;(18) tax attributes of the debtor;
3 and (19) the relationship of the debtor with affiliates.” *Metrocraft, supra*, 39 B.R. at 568.

4 **II. DISCLOSURE STATEMENT**

5 The United States Trustee objects to the Debtor’s Disclosure Statement, as follows:

6 1. Funding for the Plan

7 In the Disclosure Statement, the Debtor states that he will fund the plan from the following
8 source of income: (i) cash projection of \$35,100.00 on the Effective Date (as defined in the
9 Disclosure Statement); (ii) Debtor’s future disposable income; and (iii) cash contribution from
10 Debtor’s wholly owned company, Arquitaller, Inc. (“Arquitaller”).

11 a. Available Cash on Hand

12 Debtor states that he will have at least \$35,100 in cash on hand by the Effective Date.¹ The
13 sources of cash the Debtor will have on hand is based on: (i) cash in the amount of \$100; and (ii)
14 contributions from Arquitaller in the amount of \$35,000.²

15 Based on the Monthly Operating Report (“MOR”) for the period ending September 30,
16 2012, the Debtor has approximately \$60.00 in the DIP account [Bankr. Dkt. 38].³ The Debtor did
17 not file his Monthly Operating Reports for October 2013 (due 11/15/2013) and November 2013
18 (due 12/15/2013).

19 Therefore, the Debtor should provide evidence as to when the additional funds (\$35,000.00)
20 would be deposited into the Debtor’s DIP account(s) by Arquitaller.

21 ¹ Disclosure Statement (filed 11/15/2013), at p. 4.

22 ² *Id.* at p. 6.

23 ³ A true and accurate copy of the Debtor’s September 2013 MOR is attached hereto as
24 Exhibit “2” and is incorporated herein by this reference as if set forth in full.

1 b. Cash Contribution

2 Debtor states that "Arquittaller shall also provide Debtor with whatever cash necessary to
3 confirm the Plan."⁴

4 The Debtor should provide evidence of Arquittaller's financial conditions and/or its ability to
5 make the cash contribution, if necessary. At a minimum, the Debtor should provide evidence to
6 show Arquittaller's willingness and ability to make the monthly cash contribution to the Debtor, if
7 necessary.

8 c. Debtor's Future Disposable Income

9 Debtor projects his monthly disposable income available to creditors for the 2-year period
10 following confirmation will be \$294.00, based on a monthly income of \$14,350.00 and monthly
11 expenses of \$14,056.00.⁵

12 However, the Debtor's MOR for August 2013 (Docket Item # 40) and September 2013
13 (Docket Item #38) shows no income and expense for both months.⁶ According to the Disclosure
14 Statement, the Debtor's monthly operating reports "were not filled out properly and will be
15 amended."⁷ As of the filing of this Objection, the Debtor has yet to amend his MORs for August
16 2013 and September 2013. Further, the Debtor has yet to file his MORs for October 2013 and
17 November 2013. Accordingly, the United States Trustee is unclear as to the basis of the Debtor's
18 estimated projected monthly disposable income.

19 //

20 //

21 //

22 //

23 //

25 ⁴ Disclosure Statement (filed 11/15/2013), at p. 5.

26 ⁵ *Id.* at p. 4.

27 ⁶ A true and accurate copy of the Debtor's August 2013 MOR is attached hereto as Exhibit
"1" and is incorporated herein by this reference as if set forth in full.

28 ⁷ Disclosure Statement (filed 11/15/2013), at p. 4.

1 WHEREFORE, the United States Trustee submits his objection to the approval of the
2 Debtor's Disclosure Statement unless the foregoing concerns are addressed by the Debtor.'

3
4 DATED: December 24, 2013

PETER C. ANDERSON
UNITED STATES TRUSTEE

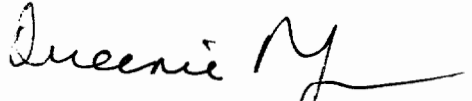
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6 
7 By: QUEENIE K. NG
8 Trial Attorney

Exhibit “1”

Exhibit “1”

In Re:
Efrain Olivares

Debtor(s).

CHAPTER 11 (NON-BUSINESS)
Case Number: #2-13-bk-29686-TD
Operating Report Number: 1
For the Month Ending: 31-Aug-13

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	0.00
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	0.00
3. BEGINNING BALANCE:	60.00
4. RECEIPTS DURING CURRENT PERIOD:	
5. BALANCE:	60.00
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	0.00
7. ENDING BALANCE:	60.00
8. General Account Number(s):	xxx3740
Depository Name & Location:	Bank of the West 400 N. Glendale ave. Glendale, CA 91206

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

Page 2 of 8	
TOTAL DISBURSEMENTS THIS PERIOD:	0.00

Bank statement Date: 8/19/2013 Balance on Statement: \$60.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
<u>8/2/2013</u>	<u>60.00</u>
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TOTAL DEPOSITS IN TRANSIT

60.00

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

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ADJUSTED BANK BALANCE:

\$60.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

BANK RECONCILIATION

Bank statement Date: 8/19/2013 Balance on Statement: \$60.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
<u>8/2/2013</u>	<u>60.00</u>
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TOTAL DEPOSITS IN TRANSIT

60.00

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$60.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment



Account Statement


August 9, 2013 - August 12, 2013


Page 1 of 4



>002431 3477220 0001 008230 10Z
EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD
403 W KENNETH RD
GLENDALE CA 91202-1401

At your service

 bankofthewest.com

 1-800-488-2265

Lost Card Fee

Bank of the West would like to remind you that we charge a \$5 fee for the replacement of ATM and Debit Cards that are reported lost. Please bear in mind that this fee does not cover any expedited shipping request. Please see your Bank of the West Schedule of Fees and Charges for a full explanation of all fees.

It's that time of year again! Students are busier than ever. That's why we designed our Student Checking account to offer the features students need most. Like a low minimum balance to open, easy account access from their smartphone and optional Student Perks Bundle. Learn more at www.bankofthewest.com.

55+ CHECKING 3740

EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD

ACCOUNT SUMMARY

Beginning Balance	\$0.00
Total deposits and additions	60.00
Total withdrawals and subtractions	0.00
Ending Balance	\$60.00

EARNINGS SUMMARY

Interest this statement period	\$0.00
Interest credited year-to-date	\$0.00
Annual percentage yield earned	0.00%
Average monthly balance	\$60.00

ACCOUNT SERVICES

Your account has the services checked below.

- ☐ Auto-Save
- ☐ Debit Card
- ☐ Direct Deposit
- ☐ Gold Line
- ☐ Mobile Banking
- ☐ Online Banking
- ☐ Online Statements
- ☐ Overdraft Protection

If you would like to add or find out about any other services, please contact us at 1-800-488-2265.

For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.





Account Statement

August 9, 2013 - August 12, 2013

Page 2 of 4

YOU CAN USE THIS FORMAT TO RECONCILE YOUR CHECKING OR SAVINGS ACCOUNT BALANCE(S).

To reconcile this statement to your register(s), the following steps are recommended. Contact your branch if you have any questions about your account(s).

Ending balance from statement \$ _____

1. Enter the ending balance for an account as shown on the front of the statement.

Add outstanding deposits \$ _____

2. Compare the items listed on the statement against your register(s).

List outstanding debit transactions

3. Check off each matching item listed in your register(s).
Verify deposits shown on the statement with your records.

4. ADD any deposits made after the statement period.

5. Enter each debit transaction (e.g., check, withdrawal, pre-authorized ACH) made but not listed on the statement in the outstanding withdrawals column.

6. SUBTRACT outstanding debit transaction total made after the statement period.

7. Enter in your register(s) any automatic credits, deposits, or interest appearing on this statement that have not been recorded.

8. ACCOUNT BALANCE(S) SHOULD AGREE WITH YOUR REGISTER BALANCE(S).

*If this balance differs from your register(s), use the following steps to locate the error:

- Examine the figures used in this reconciliation for accuracy.
- Examine last month's reconciliation for difference adjustments, charges not deducted, interest not added, etc.
- Verify addition and subtraction in your register(s).
- Verify that any service charge or other fees due for this statement period has been deducted from your register(s).

[illegible]

Subtract total outstanding debit transactions \$

Equals account balance* \$

IMPORTANT INFORMATION

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

(For accounts that are maintained primarily for personal, family or household purposes.)

Telephone us at (800) 488-2265, or write us at Bank of the West**, Branch Service Center, P.O. Box 2573, Omaha, NE 68103-2573 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. We will need to know the following:

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days for transactions involving new accounts) to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

^{**}In South Dakota, Bank of the West operates under the name of Bank of the West California.



bankofthewest.com



1-800-488-2265



Account Statement

August 9, 2013 - August 12, 2013

Page 3 of 4

55+ CHECKING xxx-xx3740 (continued)

ACTIVITY DETAIL

Deposits

Date	Description	Amount
08/09	Deposit	\$60.00
Total Deposits		\$60.00

Transaction Detail

Date	Description	Deposits	Withdrawals	Balance
Beginning Balance				\$0.00
08/09	Deposit	60.00		60.00
Totals		\$60.00	\$0.00	
Ending Balance				\$60.00

02431 3477220 004262 008523 0002/0002



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1-800-488-2265



Account Statement

August 9, 2013 - August 12, 2013

Page 4 of 4

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II. STATUS OF PAYMENTS TO SECURED CREDITORS

TOTAL DUE:	9,823.00
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V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	Allstate	1129473.00	2/25/2014	2/25/2013
Worker's Compensation				
Casualty				
Vehicle	Allstate	California Liability	4/23/2014	12/23/2013
Others:				

(Provide a copy of of monthly account statements for each of the below)

Tax Account:	0.00
--------------	------

****Petty Cash (from below):**

	0.00
--	------

60.00

Amount

TOTAL PETTY CASH TRANSACTIONS:	0.00
--------------------------------	------

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

[illegible]

VII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

[illegible]

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

XI. QUESTIONNAIRE

No Yes

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below:

no

No Yes

2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below:

no

3. State what progress was made during the reporting period toward filing a plan of reorganization
We have obtained a BPO on our property and our attorneys have been attempting to contact a representative of Citi to hopefully modify the loan. They are also looking at the possibility of refinancing the note. In the reorganization process, I am only looking for the mortgage co to modify our lloan so we can remain in the home. Other debt is being paid and is almost completed including medical payments that were the deductible associated with my wife's accident.

4. Describe potential future developments which may have a significant impact on the case:
I have recently secured an Architectural Services contract for a 90 unit Mixed use project in Glendale, CA. Additionally a week ago I also secured an Architectural services contract for a new 6,000 square foot residence in Glendale. I am also currently working on a Creative office remodel in the west side and I am in discussions to provide architectural services for a 7 unit apartment building in Glendale. I am waiting for the City of Glendale to make a selection on a 80 unit mixed use project of which 10 teams submitted proposals. My team has been shorlisted as one of the 3 and a decision is expected within 2 weeks. All this activity is the result of my efforts over the last 2 years and indicates a heightened level of work for the next couple of years.

5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

No Yes

6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below.

no

- I, Efrain Olivares
declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

Date

9. 17. 13

Page 8 of 8

Principal for debtor-in-possession

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
206 N. Jackson Street, Suite 201, Glendale, CA 91206

A true and correct copy of the foregoing document entitled (*specify*): **Monthly Operating Report #1** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **11/7/13**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Michael Avanesian michaelavanesian@tilemlaw.com,
malissamurguia@tilemlaw.com;dianachau@tilemlaw.com;joanfidelson@tilemlaw.com
- Sylvia Lew Sylvialew@tilemlaw.com,
malissamurguia@tilemlaw.com;dianachau@tilemlaw.com;joanfidelson@tilemlaw.com
- Queenie K Ng queenie.k.ng@usdoj.gov, melanie.green@usdoj.gov
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Kristin A Zilberstein bknotice@mccarthyholthus.com, kzilberstein@mccarthyholthus.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **11/7/13**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Gary Baddin, Analyst
Office of the United States Trustee
725 S. Figueroa Street, 26th Fl.
Los Angeles, CA 90017

☐ Service information continued on attached page

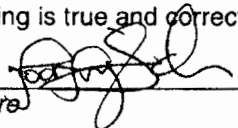
3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

11/7/13
Date

Joan Fidelson
Printed Name

Signature 

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Exhibit “2”

Exhibit “2”

OFFICE OF THE UNITED STATES TRUSTEE
CENTRAL DISTRICT OF CALIFORNIA

In Re:
Efrain Olivares
Debtor(s).

CHAPTER 11 (NON-BUSINESS)	
Case Number:	2:13-bk-29686-TD
Operating Report Number:	<u>2</u>
For the Month Ending:	september 30 2013

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	60.00
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	
3. BEGINNING BALANCE:	60.00
4. RECEIPTS DURING CURRENT PERIOD:	
5. BALANCE:	60.00
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	0.00
7. ENDING BALANCE:	60.00
8. General Account Number(s):	xxx3740
Depository Name & Location:	Bank of the West 400 N. Glendale, Ave., Glendale, CA 91206

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

Page 2 of 8	
TOTAL DISBURSEMENTS THIS PERIOD:	0.00

Plus deposits in transit (a):

Deposit Amount

0.00

Check Amount

0.00

Explanation of Adjustments-

\$0.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

BANK OF THE WEST
P.O. Box 2830, Omaha, NE 68103-2830

Account Statement

August 13, 2013 - September 13, 2013

Page 1 of 2




>000490 3543740 0001 008230 10Z

EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD
403 W KENNETH RD
GLENDALE CA 91202-1401

At your service

 bankofthewest.com

 1-800-488-2265

Back to school essentials

It's that time of year again! Students are busier than ever. That's why we designed our Student Checking account to offer the features students need most. Like a low minimum balance to open, easy account access from their smartphone and optional Student Perks Bundle. Learn more at www.bankofthewest.com.

Follow us on Facebook, Twitter, YouTube and LinkedIn for financial news, insights, tips, contests, new promotions, community events and other good things that celebrate the West.

55+ CHECKING 3740

EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD

ACCOUNT SUMMARY

Beginning Balance

\$60.00

Total deposits and additions

0.00

Total withdrawals and subtractions

0.00

Ending Balance

\$60.00

EARNINGS SUMMARY

Interest this statement period

\$0.00

Interest credited year-to-date

\$0.00

Annual percentage yield earned

0.00%

Average monthly balance

\$60.00

ACCOUNT SERVICES

Your account has the services checked below.

- ☐ Auto-Save
- ☐ Debit Card
- ☐ Direct Deposit
- ☐ Gold Line
- ☐ Mobile Banking
- ☐ Online Banking
- ☐ Online Statements
- ☐ Overdraft Protection

If you would like to add or find out about any other services, please contact us at 1-800-488-2265.

For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.

In South Dakota, Bank of the West operates under the name of Bank of the West California.





Account Statement

August 13, 2013 - September 13, 2013

Page 2 of 2

YOU CAN USE THIS FORMAT TO RECONCILE YOUR CHECKING OR SAVINGS ACCOUNT BALANCE(S).

To reconcile this statement to your register(s), the following steps are recommended. Contact your branch if you have any questions about your account(s).

Ending balance from statement \$ _____

1. Enter the ending balance for an account as shown on the front of the statement.
2. Compare the items listed on the statement against your register(s).
3. Check off each matching item listed in your register(s).
Verify deposits shown on the statement with your records.
4. ADD any deposits made after the statement period.
5. Enter each debit transaction (e.g., check, withdrawal, pre-authorized ACH) made but not listed on the statement in the outstanding withdrawals column.
6. SUBTRACT outstanding debit transaction total made after the statement period.
7. Enter in your register(s) any automatic credits, deposits, or interest appearing on this statement that have not been recorded.
8. ACCOUNT BALANCE(S) SHOULD AGREE WITH YOUR REGISTER BALANCE(S).

Add outstanding deposits \$ _____

List outstanding debit transactions

[illegible]

If this balance differs from your register(s), use the following steps to locate the error:

- Examine the figures used in this reconciliation for accuracy.
- Examine last month's reconciliation for difference adjustments, charges not deducted, interest not added, etc.
- Verify addition and subtraction in your register(s).
- Verify that any service charge or other fees due for this statement period has been deducted from your register(s).

Subtract total outstanding debit transactions \$

Equals account balance* \$

IMPORTANT INFORMATION

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

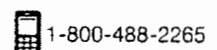
(For accounts that are maintained primarily for personal, family or household purposes.)

Telephone us at (800) 488-2265, or write us at Bank of the West**, Branch Service Center, P.O. Box 2573, Omaha, NE 68103-2573 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. We will need to know the following:

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days for transactions involving new accounts) to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

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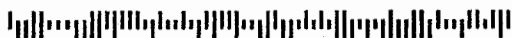


BANK OF THE WEST
P.O. Box 2830, Omaha, NE 68103-2830

Account Statement

September 14, 2013 - October 11, 2013


Page 1 of 2




>000270 3607973 0001 008230 10Z

EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD
403 W KENNETH RD
GLENDALE CA 91202-1401

At your service

 bankofthewest.com

 1-800-488-2265

Stay Connected

Follow us on Facebook, Twitter, YouTube and LinkedIn for financial news, insights, tips, contests, new promotions, community events and other good things that celebrate the West.

Thank you for banking with Bank of the West. We appreciate your business and look forward to continuing to serve your banking needs.

55+ CHECKING 3740

EFRAIN OLIVARES
DEBTOR-IN-POSSESSION
CASE #2:13-BK-29686-TD

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Account Statement

September 14, 2013 - October 11, 2013

Page 2 of 2

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8. ACCOUNT BALANCE(S) SHOULD AGREE WITH YOUR REGISTER BALANCE(S).

Add outstanding deposits \$ _____

List outstanding debit transactions

Number or Date	Amount	
Total		

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- b. Examine last month's reconciliation for difference adjustments, charges not deducted, interest not added, etc.
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(For accounts that are maintained primarily for personal, family or household purposes.)

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bankofthewest.com



1-800-488-2265

II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS

TOTAL DUE:	0.00
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V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	Allstate	1129473.00	2/25/2014	2/25/2014
Worker's Compensation				
Casualty				
Vehicle	Allstate	California Liability	4/23/2014	12/23/2013
Others:				

(Provide a copy of of monthly account statements for each of the below)

[illegible]

0.00

0.00

[illegible]

0.00

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

VII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Page 7 of 8

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

No Yes

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below:

no _____

No Yes

2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below:

no _____

3. State what progress was made during the reporting period toward filing a plan of reorganization
During September we have contacted Citi Mortgage and with the help of our attorneys are in the process of Loan Modification. We have completed paying our outstanding medical bills from the accident my wife suffered 2 1/2 years ago,. We no longer owe the hospitals or doctors.

4. Describe potential future developments which may have a significant impact on the case:
We have begun the architectural work services for the Mixed Use project in Glendale, CA. We have also begun Architectural design services for a single family residence in Glendale as well as a creative office architectural project in West Los Angeles. We have provided proposals for 2 other projects in the Glendale area. In the interim we are paying off our debt with the intent that when a Loan modification is completed we will only need to cover mortgage and home expenses. In addition with my architectural contracts and my wife's employment we will be able to manage our mortgage payments and stay in our home.
5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

No Yes

6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below.

no _____

Please note that the account at Bank of the west indicates no activity.. This is because I have decided to continue managing all my liabilities(except for Citi Mortgage) thru the business account.

- I, Efrain Olivares
declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

10.7.2013
Date

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
206 N. Jackson Street, Suite 201, Glendale, CA 91206

A true and correct copy of the foregoing document entitled (*specify*): **Monthly Operating Report #2** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **11/7/13**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Michael Avanesian michaelavanesian@tilemlaw.com,
malissamurguia@tilemlaw.com;dianachau@tilemlaw.com;joanfidelson@tilemlaw.com
- Sylvia Lew Sylvialew@tilemlaw.com,
malissamurguia@tilemlaw.com;dianachau@tilemlaw.com;joanfidelson@tilemlaw.com
- Queenie K Ng queenie.k.ng@usdoj.gov, melanie.green@usdoj.gov
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Kristin A Zilberstein bknotice@mccarthyholthus.com, kzilberstein@mccarthyholthus.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **11/7/13**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Gary Baddin, Analyst
Office of the United States Trustee
725 S. Figueroa Street, 26th Fl.
Los Angeles, CA 90017

☐ Service information continued on attached page

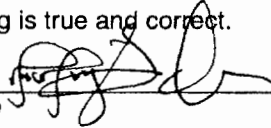
3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

11/7/13
Date

Joan Fidelson
Printed Name

Signature 

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

725 South Figueroa Street, Suite 2600, Los Angeles, California 90017-1574

A true and correct copy of the foregoing document entitled (*specify*):

UNITED STATES TRUSTEE'S OBJECTION TO INDIVIDUAL DEBTOR'S DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) **December 24, 2013**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

SEE ATTACHED SERVICE LIST (IF APPLICABLE)

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (date) **December 24, 2013**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

SEE ATTACHED SERVICE LIST (IF APPLICABLE)

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **December 24, 2013**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

SEE ATTACHED SERVICE LIST (IF APPLICABLE)

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/24/2013
Date

Stephanie Hill
Print Name


Signature

ADDITIONAL SERVICE INFORMATION

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")**

<u>Name</u>	<u>Capacity</u>	<u>Email Address</u>
Kristin Zilberstein	CitiMortgage	bknotice@mccarthyholthus.com
Michael Avanesian	Debtor's Attorney	michaelavanesian@tilemlaw.com
Sylvia Lew	Debtor's Attorney	sylvialew@tilemlaw.com
David Tilem	Debtor's Attorney	davidtilem@tilemlaw.com

SEE NEF FOR CONFIRMATION OF ELECTRONIC TRANSMISSION TO THE U.S. TRUSTEE AND ANY TRUSTEE IN THIS CASE, AND TO ANY ATTORNEYS WHO RECEIVE SERVICE BY NEF.

2. **SERVED BY U.S. MAIL**

Debtor:
Efrain Olivares
403 W. Kenneth Road
Glendale, CA 91202

3. **SERVED BY (state method for each person served):**

FEDERAL EXPRESS OVERNIGHT MAIL

Judge's Copy

Honorable Thomas B. Donovan
U.S. Bankruptcy Court
255 E. Temple Street, Room 940
Los Angeles, CA 90012
Attn: Mail Room Clerk-Judges Copies

PERSONAL DELIVERY, FACSIMILE OR EMAIL